

OIL TECHNICS (HOLDINGS) LTD

STANDARD TERMS & CONDITIONS FOR PURCHASE OF GOODS

1. INTERPRETATION

1.1 In these Conditions, the following words shall have the following meanings ascribed to them:-

“Company” means Oil Technics Limited, a company incorporated in England under the Companies Acts (No. 02119389) and having its registered office at c/o Guild Appleton & Co, 19 Old Hall Street, Liverpool, L3 9JQ;

“Contract” the Purchase Order and the Seller’s acceptance of the Purchase Order;

“Goods” any goods agreed in the Contract to be purchased by the Company from the Seller (including any part or parts of them);

“Purchase Order” the Company’s written instruction to supply the Goods incorporating these Conditions; and

“Seller” the person, firm or company who accepts the Company’s Purchase Order.

1.2 In these Conditions references to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to that statute or provision as from time to time amended, consolidated, modified, extended, re-enacted or replaced.

1.3 In these Conditions references to the masculine include the feminine and to the neuter and to the singular include the plural and vice versa as the context admits or requires.

1.4 In these Conditions headings will not affect the construction of these Conditions.

2. APPLICATION OF TERMS

2.1 These Conditions are the only conditions upon which the Company is prepared to deal with the Seller and they shall govern the contract to the entire exclusion of all other terms or conditions.

2.2 Each Purchase Order for Goods by the Company from the Seller shall be deemed to be an offer by the Company to purchase Goods subject to these Conditions and no Purchase Order shall be accepted until the Seller either expressly by giving notice of acceptance or impliedly by fulfilling the Purchase Order in whole or in part accepts the offer.

- 2.3 No terms or conditions endorsed upon, delivered with or contained in the Seller's quotation, acknowledgement or acceptance of Purchase Order, specification or similar document will form part of the Contract and the Seller waives any right which it otherwise might have to rely on such terms and conditions.
- 2.4 These Conditions apply to the Company's purchases and any variation to these Conditions shall have no effect unless expressly agreed in writing and signed by a director of the Company.

3. QUALITY AND DEFECTS

- 3.1 The Goods shall be of the best available design, of the best quality, material and workmanship, be without fault and conform in all respects with the Purchase Order and specification and/or patterns supplied or advised by the Company to the Seller.
- 3.2 The Company's rights under these Conditions are in addition to the statutory conditions implied in favour of the Company by the Sale of Goods Act 1979 as amended by the Sale and Supply of Goods Act 1994 and as further amended from time to time.
- 3.3 At any time prior to delivery of the Goods to the Company the Company shall have the right to inspect and test the Goods at all times.
- 3.4 If the results of such inspection or testing cause the Company to be of the opinion that the Goods do not conform or are unlikely to conform with the Purchase Order or to any specifications and/or patterns supplied or advised by the Company to the Seller, the Company shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition the Company shall have the right to require and witness further testing and inspection.
- 3.5 Where the Company requests certification of Goods in a Purchase Order, or if such certification of Goods is otherwise required in order to meet legislative requirements for the manufacture or use of the Goods, the Seller shall be responsible for ensuring that such certification is obtained prior to delivery of the Goods to the Company. Company shall be entitled to withhold payment for goods subject to delivery of the correct certification.
- 3.6 Notwithstanding any such inspection or testing, the Seller shall remain fully responsible for the Goods and any such inspection or testing shall not diminish or otherwise affect the Seller's obligations under the Contract.
- 3.7 If any of the Goods fail to comply with the provisions set out in clause 3, the Company shall be entitled to avail itself of any one or more remedies listed in clause 12.

4. INDEMNITY

The Seller shall keep the Company indemnified in full against all direct, indirect or consequential liability, loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by the Company as a result of or in connection with:-

- 4.1 defective workmanship, quality or materials;
- 4.2 an infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods;
- 4.3 any claim made against the Company in respect of any liability, loss, damage, injury, cost or expense sustained by the Company's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Goods.

5. DELIVERY

- 5.1 The Goods shall be delivered, carriage paid, to the Company's place of business or to such other place of delivery as is agreed by the Company in writing prior to delivery of the Goods. The Seller shall offload the Goods as directed by the Company.
- 5.2 The date for delivery shall be specified in the Purchase Order, or if no such date is specified then delivery shall take place within 28 days of delivery of the Purchase Order.
- 5.3 The Seller shall invoice the Company upon, but separately from, despatch of the Goods to the Company.
- 5.4 The Seller shall ensure that each delivery is accompanied by a delivery note which shows, inter alia, the order number, date of order, number of packages and contents and, in the case of part delivery, the outstanding balance remaining to be delivered.
- 5.5 Time for delivery shall be of the essence.
- 5.6 Unless otherwise stipulated by the Company in the Purchase Order, deliveries shall only be accepted by the Company in normal business hours.
- 5.7 If the Goods are not delivered on the due date then, without prejudice to any other rights which it may have, the Company reserves the right to:-
 - 5.7.1 cancel the Contract in whole or in part;
 - 5.7.2 refuse to accept any subsequent delivery of the Goods which the Seller attempts to make;
 - 5.7.3 recover from the Seller any expenditure reasonably incurred by the Company in obtaining the Goods in substitution from another supplier;

- 5.7.4 claim damages for any additional costs, loss or expenses incurred by the Company which are in any way attributable to the Seller's failure to deliver the Goods on the due date; and
- 5.7.5 claim liquidated damages at a rate of 10% of the value of the late items, per week, as a genuine pre-estimate of the losses that shall be suffered due to the late delivery, and consequential breach of contract.
- 5.8 If the Seller requires the Company to return any packaging material to the Seller that fact must be clearly stated on any delivery note delivered to the Company and any such packaging material will only be returned to the Seller at the cost of the Seller.
- 5.9 Where the Company agrees in writing to accept delivery by instalments, the Contract will be construed as a single contract in respect of each instalment. Nevertheless failure by the Seller to deliver any one instalment shall entitle the Company at its option to treat the whole Contract as repudiated.
- 5.10 If the Goods are delivered to the Company in excess of the quantities ordered, the Company shall not be bound to pay for the excess and any excess will be and will remain at the Seller's risk and will be returnable at the Seller's expense.

6. RISK AND PROPERTY

The Goods shall remain at the risk of the Seller until delivery to the Company is complete (including offloading and stacking) when ownership of the Goods shall pass to the Company.

7. PRICE

- 7.1 The price of the Goods shall be stated in the Purchase Order and unless otherwise agreed in writing by the Company shall be exclusive of Value Added Tax but inclusive of all other charges.
- 7.2 No variation in the price, or deviation from the items & charges listed on the formal quotation, nor any additional or extra charges will be accepted by the Company. Such additional charges would include delivery and documentation costs unless covered in the original quotation as individual line items.

8. PAYMENT

- 8.1 The Company shall pay the price of the Goods within thirty (30) days of delivery of the Goods to the Company (unless otherwise agreed between Company and Seller), but time for payment shall not be of the essence of the Contract.

- 8.2 Without prejudice to any other right or remedy, the Company reserves the right to deduct, withhold or set-off any amount owing at any time from the Seller to the Company against any amount payable by the Company to the Seller under the Contract.

9. CONFIDENTIALITY

The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by the Company or its agents and any other confidential information concerning the Company's business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging the Seller's obligations to the Company and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Seller.

10. THE COMPANY'S PROPERTY

Materials, equipment, tools, moulds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by the Company to the Seller or not so supplied but used by the Seller specifically in the manufacture of the Goods shall at all times be and remain the exclusive property of the Company, but shall be held by the Seller in safe custody at its own risk and maintained and kept in good condition by the Seller until returned to the Company and shall not be disposed of other than in accordance with the Company's written instructions, nor shall such items be used otherwise than as authorised by the Company in writing.

11. TERMINATION

- 11.1 The Company shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Seller written notice whereupon all work on the Contract shall be discontinued and the Company shall pay to the Seller fair and reasonable compensation for work in progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss.

- 11.2 The Company shall have the right at any time by giving notice in writing to the Seller to terminate the Contract forthwith if:-

11.2.1 the Seller commits a breach of any of the terms and conditions of the Contract;

11.2.2 any diligence, execution or other process is levied upon any of the assets of the Seller;

11.2.3 the Seller enters into any compromise or arrangement with its creditors, commits any act of bankruptcy or if an order is made or an affective resolution is passed for its winding up (except

for the purposes of amalgamation or reconstruction as a solvent company) or if a petition is presented to court, or if a receiver and/or manager, receiver, administrative receiver or administrator is appointed in respect of the whole or any part of the Seller's undertaking or assets;

11.2.4 the Seller ceases or threatens to cease to carry on its business; or

11.2.5 the financial position of the Seller deteriorates to such an extent that in the opinion of the Company the capability of the Seller adequately to fulfil its obligations under the Contract has been placed in jeopardy.

11.3 The termination of the contract, however arising, will be without prejudice to the rights and duties of the Company accrued prior to termination. The conditions which expressly or impliedly have effect after termination will continue to be enforceable notwithstanding termination.

12. REMEDIES

12.1 Without prejudice to any other right or remedy which the Company may have, if any Goods are not supplied in accordance with, or the Seller fails to comply with, any of the terms of this Contract the Company shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by the Company:-

12.1.1 to rescind the Purchase Order;

12.1.2 to reject the Goods (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned shall be paid forthwith by the Seller;

12.1.3 at the Company's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;

12.1.4 to refuse to accept any further deliveries of the Goods but without any liability to the Seller;

12.1.5 to carry out at the Seller's expense any work necessary to make the Goods comply with the Contract; and

12.1.6 to claim such damages as may have been sustained in consequence of the Seller's breaches of the Contract.

13. ASSIGNMENT

- 13.1 The Seller shall not be entitled to assign the Contract or any part of it without the prior written consent of the Company.
- 13.2 The Company may assign the Contract or any part of it to any person, firm or company.

14. FORCE MAJEURE

The Company reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of the Company including, without limitation, acts of God, Governmental actions, war or national emergency, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

15. GENERAL

- 15.1 Each right or remedy of the Company under the Contract is without prejudice to any other right or remedy of the Company whether under the Contract or not.
- 15.2 If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.
- 15.3 Failure or delay by the Company in enforcing or partially enforcing any provision of the Contract will not be construed as a waiver of any of its rights under the Contract.
- 15.4 Any waiver by the Company of any breach of, or any default under, any provision of the Contract by the Seller will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of the Contract.
- 15.5 The formation, existence, construction, performance, validity and all aspects of the Contract shall be governed by Scots law and the parties subject to the non-exclusive jurisdiction of the Scottish courts.